

AMENDMENTS TO LB 779

Introduced by Revenue.

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Section 13-2602, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 13-2602 (1) The Legislature finds that it will be
6 beneficial to the economic well-being of the people of this state
7 that there be convention and meeting center facilities, ~~and~~ sports
8 ~~arena facilities, and amusement park facilities~~ of appropriate size
9 and quality to host regional, national, or international events.
10 Regional refers to states that border Nebraska; national refers
11 to states other than those that border Nebraska; and international
12 refers to nations other than the United States.

13 (2) The Legislature further finds that such facilities
14 may (a) generate new economic activity as well as additional state
15 and local taxes from persons residing within and outside the state
16 and (b) create new economic opportunities for residents.

17 (3) In order that the state may receive any long-term
18 economic and fiscal benefits from such facilities, a need exists to
19 provide some state assistance to political subdivisions endeavoring
20 to construct, acquire, substantially reconstruct, expand, operate,
21 improve, or equip such facilities.

22 (4) Therefor, it is deemed to be in the best interest of
23 both the state and its political subdivisions that the state assist

1 political subdivisions in financing the construction, acquisition,
2 substantial reconstruction, expansion, operation, improvement, or
3 equipping of such facilities.

4 (5) The amount of state assistance shall be limited to
5 a designated portion of state sales tax revenue collected (a) by
6 retailers and operators doing business at ~~such~~ eligible facilities
7 on sales at such facilities, ~~state sales tax revenue collected~~
8 (b) on primary and secondary box office sales of admissions to
9 ~~such~~ eligible facilities, and ~~state sales tax revenue collected~~
10 (c) by or on the premises of associated hotels. If a retailer has
11 been collecting state sales tax revenue for more than twenty-four
12 months prior to the completion of a sports facility as described
13 in subdivision (6)(c) of section 13-2603, only any increase in
14 state sales tax revenue each fiscal year beginning with the first
15 fiscal year after the completion of the sports facility shall be
16 eligible as state assistance to an eligible facility as defined in
17 subdivision (6)(c) of section 13-2603. State assistance for such
18 an eligible facility shall also only include all state sales tax
19 revenue collected by retailers that had been doing business up to
20 twenty-four months prior to the completion of the sports facility
21 and all state sales tax revenue collected by retailers not on the
22 premises of the sports facility that are doing business prior to
23 twenty-four months after completion of the sports facility.

24 Sec. 2. Section 13-2603, Revised Statutes Cumulative
25 Supplement, 2008, is amended to read:

26 13-2603 For purposes of the Convention Center Facility
27 Financing Assistance Act:

1 (1) Amusement park facility means any permanent indoor
2 or outdoor facility or park that offers a collection of amusement
3 rides, games, and other forms of entertainment in which the public
4 may participate for a consideration at least one hundred eighty
5 days per year and that has a private capital investment of at least
6 twenty-five million dollars;

7 ~~(1)(a)~~ (2) Associated hotel means any publicly owned
8 facility in which the public may, for a consideration, obtain
9 sleeping accommodations and which is located within two hundred
10 yards of an eligible facility; ~~and(b)~~ Beginning with applications
11 for financial assistance received on or after February 1, 2008,
12 associated hotel means any publicly or privately owned facility
13 in which the public may, for a consideration, obtain sleeping
14 accommodations and which is located within (a) four hundred fifty
15 yards of (i) an eligible facility as defined in subdivision (6)(a)
16 or (6)(b) of this section or (ii) an amusement park facility or (b)
17 six hundred yards of a sports facility as described in subdivision
18 (6)(c) of this section, measured from the eligible such facility
19 but not from any parking facility or other structure;

20 ~~(2)~~ (3) Board means a board consisting of the Governor,
21 the State Treasurer, the chairperson of the Nebraska Investment
22 Council, the chairperson of the Nebraska State Board of Public
23 Accountancy, and a professor of economics on the faculty of a
24 state postsecondary educational institution appointed to a two-year
25 term on the board by the Coordinating Commission for Postsecondary
26 Education. For administrative and budget purposes only, the board
27 shall be considered part of the Department of Revenue;

1 ~~(3)~~ (4) Bond means a general obligation bond,
2 redevelopment bond, lease-purchase bond, revenue bond, or
3 combination of any such bonds;

4 ~~(4)~~ (5) Convention and meeting center facility means
5 a temperature-controlled building and personal property primarily
6 used as a convention and meeting center, including an auditorium,
7 an exhibition hall, a facility for onsite food preparation and
8 serving, an onsite, directly connected parking facility for the
9 use of the convention and meeting center facility, and an
10 onsite administrative office of the convention and meeting center
11 facility;

12 ~~(5)(a)~~ (6) Eligible facility means (a) any publicly or
13 privately owned convention and meeting center facility approved for
14 state assistance on or before June 1, 2007, or any publicly or
15 privately owned sports arena facility attached to such convention
16 and meeting center facility, or located in a city of the primary
17 class on which construction commenced prior to July 1, 2011, (b)
18 any publicly or privately owned convention and meeting center
19 facility or publicly or privately owned sports arena facility
20 acquired, constructed, improved, or equipped after June 1, 2007,
21 and on which construction commenced prior to January 1, 2010,
22 or (c)(i) any publicly or privately owned convention and meeting
23 center facility, publicly or privately owned sports facility,
24 or privately owned amusement park facility on which construction
25 commenced on or after July 1, 2011, or (ii) any publicly or
26 privately owned sports facility located in a city of the first
27 class on which construction commenced on or after January 1, 2010,

1 but prior to July 1, 2011;

2 ~~(b) Beginning with applications for financial assistance~~
3 ~~received on or after February 1, 2008, eligible facility does not~~
4 ~~include any publicly or privately owned sports arena facility with~~
5 ~~a seating capacity greater than sixteen thousand seats;~~

6 ~~(6) (7) General obligation bond means any bond or~~
7 ~~refunding bond issued by a political subdivision and which is~~
8 ~~payable from the proceeds of an ad valorem tax;~~

9 ~~(7) (8) Political subdivision means any local~~
10 ~~governmental body formed and organized under state law and any~~
11 ~~joint entity or joint public agency created under state law to act~~
12 ~~on behalf of political subdivisions which has statutory authority~~
13 ~~to issue general obligation bonds;~~

14 ~~(9) Retailer has the same meaning as in section~~
15 ~~77-2701.32;~~

16 ~~(8) (10) Revenue bond means any bond or refunding bond~~
17 ~~issued by a political subdivision which is limited or special~~
18 ~~rather than a general obligation bond of the political subdivision~~
19 ~~and which is not payable from the proceeds of an ad valorem tax;~~
20 ~~and~~

21 ~~(9) (11) Sports arena facility means (a) any enclosed~~
22 ~~temperature-controlled building primarily used for competitive~~
23 ~~sports, including that has a seating capacity of at least three~~
24 ~~thousand seats or (b) any building primarily used for competitive~~
25 ~~sports that is located in a county with a population of no more~~
26 ~~than one hundred thousand inhabitants. Sports facility includes~~
27 ~~stadiums, arenas, dressing and locker facilities, concession areas,~~

1 parking facilities, and onsite administrative offices connected
2 with operating the facilities.

3 Sec. 3. Section 13-2605, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 13-2605 (1) All applications for state assistance under
6 the Convention Center Facility Financing Assistance Act shall be in
7 writing and shall include a certified copy of the approving action
8 of the governing body of the applicant describing the proposed
9 eligible facility and the anticipated financing.

10 (2) The application shall contain:

11 (a) A description of the proposed financing of the
12 eligible facility, including the estimated principal and interest
13 requirements for the bonds proposed to be issued in connection
14 with the eligible facility or the amounts necessary to repay the
15 original investment by the applicant in the eligible facility;

16 (b) Documentation of local financial commitment to
17 support the project, including all public and private resources
18 pledged or committed to the project; and

19 (c) Any other project information deemed appropriate by
20 the board.

21 (3) Upon receiving an application for state assistance,
22 the board shall review the application and notify the applicant of
23 any additional information needed for a proper evaluation of the
24 application.

25 (4) Any state assistance received pursuant to the act
26 shall be used only for public purposes.

27 (5) If a convention and meeting center facility, a sports

1 facility, or an amusement park facility (a) is deemed an eligible
2 facility by the board, (b) has received state assistance pursuant
3 to the act, and (c) is located within (i) the corporate limits of
4 a city of the metropolitan class or (ii) a county in which such
5 city is located, such facility shall develop a plan in conjunction
6 with other such facilities to coordinate events to be attracted
7 and hosted by such facilities. The event coordination plan shall
8 include, but not be limited to, determinations regarding marketing
9 and scheduling.

10 Sec. 4. Section 13-2607, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 13-2607 (1) After consideration of the application and
13 the evidence, the board shall issue a finding of whether the
14 convention and meeting center facility, ~~or sports arena facility,~~
15 or amusement park facility described in the application is eligible
16 for state assistance.

17 (2) If the board finds that the facility described in the
18 application is an eligible facility and that state assistance is in
19 the best interest of the state, the application shall be approved.

20 (3) In determining whether state assistance is in the
21 best interest of the state, the board shall consider the fiscal and
22 economic capacity of the applicant to finance the local share of
23 the eligible facility.

24 (4) A majority of the board members constitutes a quorum
25 for the purpose of conducting business. All actions of the board
26 shall be by a majority vote of all the board members, one of whom
27 must be the Governor.

1 Sec. 5. Section 13-2609, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 13-2609 (1) If an application is approved, the Tax
4 Commissioner shall:

5 (a) Audit or review audits of the approved convention
6 and meeting center facility, sports ~~arena~~ facility, amusement park
7 facility, or associated hotel to determine the state sales tax
8 revenue collected (i) by retailers and operators doing business at
9 ~~such~~ eligible facilities on sales at such facilities, ~~state sales~~
10 ~~tax revenue collected~~ (ii) on primary and secondary box office
11 sales of admissions to ~~such~~ eligible facilities, and ~~state sales~~
12 ~~tax revenue collected~~ (iii) by or on the premises of associated
13 hotels. If a retailer has been collecting state sales tax revenue
14 for more than twenty-four months prior to the completion of a
15 sports facility as described in subdivision (6)(c) of section
16 13-2603, only any increase in state sales tax revenue each fiscal
17 year beginning with the first fiscal year after the completion
18 of the sports facility shall be eligible as state assistance to
19 an eligible facility as defined in subdivision (6)(c) of section
20 13-2603. State assistance for such an eligible facility shall also
21 only include all state sales tax revenue collected by retailers
22 that had been doing business up to twenty-four months prior to
23 the completion of the sports facility and all state sales tax
24 revenue collected by retailers not on the premises of the sports
25 facility that are doing business prior to twenty-four months after
26 completion of the sports facility; and

27 (b) Certify annually the amount of state sales tax

1 revenue collected by retailers and operators doing business at
2 such facilities on sales at such facilities, state sales tax
3 revenue collected on primary and secondary box office sales
4 of admissions to such facilities, and state sales tax revenue
5 collected by associated hotels, determined under subdivision (a) of
6 this subsection to the State Treasurer.

7 (2) State sales tax revenue collected by retailers and
8 operators that are not eligible facilities but are doing business
9 at eligible facilities shall be reported on informational returns
10 developed by the Department of Revenue and provided to any such
11 retailers and operators by the eligible facility. The informational
12 returns shall be submitted to the department by the retailer or
13 operator by the twenty-fifth day of the month following the month
14 the sales taxes are collected. The Tax Commissioner shall use
15 the data from the informational returns and sales tax returns
16 of eligible facilities and associated hotels to determine the
17 appropriate amount of state sales tax revenue.

18 ~~(3) Changes made to the Convention Center Facility~~
19 ~~Financing Assistance Act by Laws 2007, LB 551, shall apply to~~
20 ~~state sales tax revenue collected commencing on July 1, 2006.~~

21 Sec. 6. Section 13-2610, Revised Statutes Supplement,
22 2009, is amended to read:

23 13-2610 (1) Upon the annual certification under section
24 13-2609, the State Treasurer shall transfer after the audit
25 the amount certified to the Convention Center Support Fund. The
26 Convention Center Support Fund is created. Any money in the fund
27 available for investment shall be invested by the state investment

1 officer pursuant to the Nebraska Capital Expansion Act and the
2 Nebraska State Funds Investment Act.

3 (2) (a) It is the intent of the Legislature to appropriate
4 from the fund to any political subdivision for which an application
5 for state assistance under the Convention Center Facility Financing
6 Assistance Act has been approved an amount not to exceed (i)
7 seventy percent of the state sales tax revenue collected (A) by
8 retailers and operators doing business at such eligible facilities
9 on sales at such facilities, state sales tax revenue collected (B)
10 on primary and secondary box office sales of admissions to such
11 eligible facilities, and state sales tax revenue collected (C) by
12 or on the premises of associated hotels, (ii) seventy-five million
13 dollars for any one approved project, or (iii) the total cost
14 of acquiring, constructing, improving, or equipping the eligible
15 facility. State assistance shall not be used for an operating
16 subsidy or other ancillary facility. If a retailer has been
17 collecting state sales tax revenue for more than twenty-four
18 months prior to the completion of a sports facility as described
19 in subdivision (6)(c) of section 13-2603, only any increase in
20 state sales tax revenue each fiscal year beginning with the first
21 fiscal year after the completion of the sports facility shall be
22 eligible as state assistance to an eligible facility as defined in
23 subdivision (6)(c) of section 13-2603. State assistance for such
24 an eligible facility shall also only include all state sales tax
25 revenue collected by retailers that had been doing business up to
26 twenty-four months prior to the completion of the sports facility
27 and all state sales tax revenue collected by retailers not on the

1 premises of the sports facility that are doing business prior to
2 twenty-four months after completion of the sports facility.

3 (b) Ten percent of such funds appropriated to a city
4 of the metropolitan class under this subsection shall be equally
5 distributed to areas with a high concentration of poverty to (i)
6 showcase important historical aspects of such areas or (ii) assist
7 with the reduction of street and gang violence in such areas.

8 (c) Each area with a high concentration of poverty that
9 has been distributed funds under subdivision (b) of this subsection
10 shall establish a development fund and form a committee which
11 shall identify and research potential projects and make final
12 determinations on the use of state sales tax revenue received for
13 such projects.

14 (d) A committee formed in subdivision (c) of this
15 subsection shall include the following three members:

16 (i) The member of the city council whose district
17 includes a majority of the census tracts which each contain a
18 percentage of persons below the poverty line of greater than thirty
19 percent, as determined by the most recent federal decennial census,
20 within the area with a high concentration of poverty;

21 (ii) The commissioner of the county whose district
22 includes a majority of the census tracts which each contain a
23 percentage of persons below the poverty line of greater than thirty
24 percent, as determined by the most recent federal decennial census,
25 within the area with a high concentration of poverty; and

26 (iii) A resident of the area with a high concentration of
27 poverty, appointed by the other two members of the committee.

1 (e) A committee formed in subdivision (c) of this
2 subsection shall solicit project ideas from the public and shall
3 hold a public hearing in the area with a high concentration
4 of poverty. Notice of a proposed hearing shall be provided in
5 accordance with the procedures for notice of a public hearing
6 pursuant to section 18-2115. The committee shall research potential
7 projects in its area and make the final determination regarding the
8 annual distribution of funding to such projects.

9 (f) For purposes of this subsection, an area with a high
10 concentration of poverty means an area within the corporate limits
11 of a city of the metropolitan class consisting of one or more
12 contiguous census tracts, as determined by the most recent federal
13 decennial census, which contain a percentage of persons below the
14 poverty line of greater than thirty percent, and all census tracts
15 contiguous to such tract or tracts, as determined by the most
16 recent federal decennial census.

17 (3) State assistance to the political subdivision shall
18 no longer be available upon the retirement of the bonds issued
19 to acquire, construct, improve, or equip the facility or any
20 subsequent bonds that refunded the original issue or when state
21 assistance reaches the amount determined under subdivision (2)(a)
22 of this section, whichever comes first.

23 (4) The ~~remaining~~ thirty percent of state sales tax
24 revenue collected by ~~retailers and operators doing business at such~~
25 ~~facilities on sales at such facilities,~~ state sales tax revenue
26 collected on ~~primary and secondary box office sales of admissions~~
27 ~~to such facilities,~~ and state sales tax revenue collected by

1 ~~associated hotels,~~ remaining after the appropriation in subdivision
2 (2) (a) (i) of this section shall be appropriated by the Legislature
3 to the Local Civic, Cultural, and Convention Center Financing Fund.

4 (5) Any municipality that has applied for and received a
5 grant of assistance under the Local Civic, Cultural, and Convention
6 Center Financing Act may not receive state assistance under the
7 Convention Center Facility Financing Assistance Act.

8 Sec. 7. Section 13-2702, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 13-2702 The purpose of the Local Civic, Cultural, and
11 Convention Center Financing Act is to support the development of
12 civic, cultural, and convention centers and the rehabilitation of
13 historic buildings throughout Nebraska. Furthermore, the act is
14 intended to support projects that attract new civic, cultural, and
15 convention activity to Nebraska from outside of Nebraska.

16 Sec. 8. Section 13-2703, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 13-2703 For purposes of the Local Civic, Cultural, and
19 Convention Center Financing Act:

20 (1) Center means a civic, cultural, or convention
21 facility or area;

22 (2) Department means the Department of Economic
23 Development; ~~and~~

24 (3) Fund means the Local Civic, Cultural, and Convention
25 Center Financing Fund; ~~and-~~

26 (4) Historic building means any building listed or
27 eligible to be listed in the National Register of Historic Places

1 in accordance with criteria established by the Secretary of the
2 Interior.

3 Sec. 9. Section 13-2704, Reissue Revised Statutes of
4 Nebraska, as amended by section 8, Legislative Bill 3, One Hundred
5 First Legislature, First Special Session, 2009, is amended to read:

6 13-2704 The Local Civic, Cultural, and Convention Center
7 Financing Fund is created. The fund shall be administered by the
8 department. ~~Transfers may be made from the fund to the General~~
9 ~~Fund at the direction of the Legislature.~~ Any money in the Local
10 Civic, Cultural, and Convention Center Financing Fund available
11 for investment shall be invested by the state investment officer
12 pursuant to the Nebraska Capital Expansion Act and the Nebraska
13 State Funds Investment Act. The fund may be used for assistance for
14 the construction of new centers or the renovation or expansion of
15 existing centers or for the conversion, rehabilitation, or reuse
16 of historic buildings. The fund may not be used for planning,
17 programming, marketing, advertising, and related activities.

18 Sec. 10. Section 13-2705, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 13-2705 The department may conditionally approve grants
21 of assistance from the fund to eligible and competitive applicants
22 within the following limits:

23 (1) A grant request shall be at least twenty thousand
24 dollars but no more than:

25 (a) For a city of the primary class, one million dollars;

26 (b) For a municipality with a population of forty
27 thousand but less than one hundred thousand, five hundred thousand

1 dollars;

2 (c) For a municipality with a population of twenty
3 thousand but less than forty thousand, four hundred thousand
4 dollars;

5 (d) For a municipality with a population of ten thousand
6 but less than twenty thousand, three hundred thousand dollars;

7 (e) For a municipality with a population of five thousand
8 but less than ten thousand, two hundred thousand dollars; and

9 (f) For a municipality with a population of less than
10 five thousand, one hundred thousand dollars; and

11 (2) Assistance from the fund shall not amount to more
12 than fifty percent of the cost of construction, renovation, or
13 expansion. ~~and~~

14 ~~(3) A municipality shall not be awarded more than one~~
15 ~~grant in any five-year period.~~

16 Sec. 11. Section 13-2707, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 13-2707 The department shall evaluate all applications
19 for grants of assistance based on the following criteria:

20 (1) Attraction impact. Funding decisions by the
21 department shall be based in part on the likelihood of the project
22 attracting new cultural, civic, or convention activity to Nebraska
23 from outside of Nebraska. A project with greater out-of-state draw
24 shall be preferred over a project with less impact;

25 (2) Socioeconomic impact. The project's potential for
26 long-term positive impacts on the local and regional economy and
27 society;

1 (3) Financial support. Assistance from the fund shall
2 be matched at least equally from local sources. At least eighty
3 percent of the local match must be in cash. Projects with a higher
4 level of local matching funds shall be preferred as compared to
5 those with a lower level of matching funds;

6 (4) Readiness. The applicant's fiscal and economic
7 capacity to finance the local share and ability to proceed and
8 implement its plan and operate the ~~convention~~ center or historic
9 building; and

10 (5) Project location. A project shall be located in the
11 municipality that applies for the grant.

12 Sec. 12. This act becomes operative on July 1, 2010.

13 Sec. 13. Original sections 13-2602, 13-2605, 13-2607,
14 13-2609, 13-2702, 13-2703, 13-2705, and 13-2707, Reissue Revised
15 Statutes of Nebraska, section 13-2603, Revised Statutes Cumulative
16 Supplement, 2008, section 13-2610, Revised Statutes Supplement,
17 2009, and section 13-2704, Reissue Revised Statutes of Nebraska,
18 as amended by section 8, Legislative Bill 3, One Hundred First
19 Legislature, First Special Session, 2009, are repealed.

20 Sec. 14. Since an emergency exists, this act takes effect
21 when passed and approved according to law.